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Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT**DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL FIRST TRUST DEED FUND,
 LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA SECURITIES, LLC,
 Debtor.

**REPLY IN SUPPORT OF OBJECTION
 TO PROOF OF CLAIM NO. 155
 FILED BY GATEWAY STONE
 ASSOCIATES, LLC
 (AFFECTS USA COMMERCIAL
 MORTGAGE COMPANY)**

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC

Date: January 17, 2007
 Time: 9:30 a.m.

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1 USA Commercial Mortgage Company (“USACM”), by and through its counsel, hereby
 2 files its Reply (the “Reply”) on its “Objection to Proof of Claim No. 155 Filed by Gateway Stone
 3 Associates, LLC” (the “Objection”), and states as follows:

4 1. On April 13, 2006 (“Petition Date”), USACM, USA Capital Realty Advisors, LLC,
 5 USA Capital Diversified Trust Deed Fund, LLC, USA Capital First Trust Deed Fund, LLC, and
 6 USA Securities, LLC (collectively the “Debtors”) filed voluntary petitions for relief under chapter
 7 11 of the Bankruptcy Code. Management duties of USACM are conducted by Thomas J. Allison
 8 of Mesirow Financial Interim Management, LLC (“Mesirow”) who serves as the President and
 9 Chief Restructuring Officer.

10 2. Gateway Stone Associates, LLC (“Gateway”) filed its Claim on August 28, 2006,
 11 claiming an unsecured debt owed to it for “Additional loan to borrower” in the amount of
 12 \$3,630,000. Attached to the Claim is a copy of an agreement between Gateway and USACM
 13 (“Agreement”) whereby USACM arranged for a loan between Gateway and a group of direct
 14 lenders (“Gateway Direct Lenders”). This loan was arranged by USACM and evidenced by a
 15 Loan Agreement dated November 18, 2005, between Gateway and the Gateway Direct Lenders.

16 3. USACM filed its Objection (the “Objection”) to the Gateway Proof of Claim on
 17 December 11, 2006 [Docket No. 2036].

18 4. Gateway filed its “Opposition to USA Commercial Mortgage Company’s Objection
 19 to Proof of Claim No. 155 Filed by Gateway Stone Associates, LLC” (the “Opposition”) on
 20 December 27, 2006 [Docket No. 2281].

21 5. USACM asserts that USACM’s Objection and Gateway’s Opposition have given rise
 22 to a contested matter under Bankruptcy Rule 9014, and that all of the Bankruptcy Rules on
 23 discovery as outlined in Bankruptcy Rule 9014(c) should be made applicable in this contested
 24 matter. USACM requests that a scheduling conference be scheduled for this contested matter.

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USACM also requests that the Court grant such other and further relief as it deems just and proper.

Respectfully submitted this 8th day of January, 2007.

/s/ Lenard E. Schwartzer, Esq.

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